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DD/A 81-1170/4

10 JUN 1981

DD/A REGISTRY

FILE: Committees

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director of Central Intelligence
FROM: Harry E. Fitzwater
Deputy Director for Administration
SUBJECT: Recent Cost Reduction and Efficiency
Improvement Accomplishments in the DDA

1. We discussed last week several cost reduction and efficiency initiatives that each of us could profitably undertake. Immediately after our discussion, I established the DDA Cost Reduction and Efficiency (CORE) Working Group. We are already into a detailed review of the services we in the DDA provide and the efficiency with which they are provided.

25X1 2. I thought it would be useful if we summarized for you the results of a series of cost cutting or efficiency enhancing initiatives that [] undertook during his tenure as the Deputy Director for Administration. This will give you at least a partial appreciation for some of the recent initiatives that our DDA offices have taken in this area. The attachment provides summary information on each initiative.

3. I can provide further information on any of these items as you wish.

Harry E. Fitzwater

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Attachment

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SUBJECT: Recent Cost Reduction and Efficiency
Improvement Accomplishments in the DDA

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- 1 - MS Chrono
- 1 - EO DDA

25X1 DDA/MS/ [] [] bop (9June81)

GSA Guidelines on Word Processing Equipment

The DDA, on 22 May 1981, requested from the Administrator, GSA, a waiver so that we may acquire word processing equipment under more lenient ADP procurement rules. Reduction in paperwork and increased efficiency are expected as a result.

GSA Restrictions (On Leasing of Domestic Office Space, O&M Authority, and Alteration/Renovation Authority)

Formal requests for delegations of authority will shortly be sent to the Administrator, GSA, seeking authority to lease office space without limitation and seeking authority to contract directly for renovation and alteration work, vice reimbursing GSA for their efforts.

Survey of Independent Contractors and Leased Hardware

The DDA will shortly request a formal waiver from the requirement that we follow Federal Supply Schedule contract requirements, thus increasing our operational flexibility and efficiency.

Word Processing Inventory

An inventory of word processing equipment (WPE) was completed and submitted 13 March 1981. We are now working toward standardization of WPE so that we may select a single system for all Agency requirements. We plan to issue a requirements contract for such equipment, and thus decrease significantly the number of RFP's issued for word processors.

Interest on Bank Deposits

We have begun to explore this issue with banks in which we have sizeable covert accounts, and intend to implement it with each individual bank as we work out necessary procedures. It is too early in the process to project interest earnings as a result of this effort, or the impact of service charges and covert tax mechanism setups.

Reductions in Travel Costs - GTR's

All of the actions have been completed to enable widespread use of GTR's within the Agency for the purpose of obtaining discounted air fare tickets.

25X1

APARS Eight Lines Per Inch

Request was to investigate to determine if the Automated Printing and Reproduction System (APARS) being developed by Xerox Corporation for printing cables is capable of printing eight lines per inch. The determination was made that APARS will be capable of printing either six or eight lines per inch. At eight lines per inch, we project that significant cost savings will be realized.

Accounting for Travel Advances

The intent of this request is to set up a procedure whereby we sample selected travel advances rather than performing a complete audit of each advance. Work is proceeding on examination of legal requirements and on the cost effectiveness of the implementation of this suggestion. Conclusions are due in 30 days.

Centralizing Software Applications Development

The Information Handling Architect and the Office of Data Processing conducted an Agencywide survey of resources devoted to software development to determine if consolidation would result in significant cost savings without great impact on current and projected systems. Continuation of a combination of centralized and decentralized software development was recommended.

Study on Existing Agency Micrographics Facilities

A task force has been set up under the direction of the Information Handling Architect to conduct a study for the consolidation of the various micrographics facilities in the Agency. Such consolidation would result in space, equipment, and position savings. Data gathering is complete and results are currently being tabulated.

Consolidation of Copier Management Activities

Agreement has been reached with the other directorates regarding consolidation of significant portions of the copier management function and its management under the Office of Logistics. Projected savings amount to \$300K per year. Final clarifying memoranda are being completed. The Comptroller is prepared to transfer budgeting responsibility pending a final agreement.

Equipment Standardization

The DDA has approved a proposal to standardize on certain administrative equipment and supplies such as typewriters, dictaphones, paper stocks, etc. Projected savings on such items range from 10 to 25 percent of today's costs. Exemption from Federal Supply Schedules will now be required before we proceed.

Consolidate Graphics Design Activities; Establish Publications Review Committee

Responses to a DDA memorandum recommending consolidation of certain graphics design activities have not yet been received from the other directorates. We have recommended that a Senior Publications Review Committee not be established, after examination of such a group's effectiveness regarding the printing of Agency publications.

Disband Center for the Study of Intelligence (CSI)

This item will be the subject of an upcoming EXCOM meeting. Projected savings would exceed \$185K per year. Consensus among components is that CSI should receive an increased commitment from Agency management and should continue.

Review all External Training and Conferencing

25X1 Data were submitted to the DDA by offices responsible for [] conferences. An evaluation of the conferencing burden is being made in conjunction with a review of the Agency's External Training Program expected to be completed within 60 days. Fiscal 1980 costs for external training were in excess of \$1,700K.

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you are the only one
left who can finish
this. It must be to
the DCI ~~before~~^{by} 3 June.
Take each item on the
6 May "DDA Clock List"
and summarize the
action taken (as reported
by each DDA office di-
rector). Ask Hart for
background memoranda
from DCI re "cut over-
head & admin costs. See

call you Monday
Sorry, Terry

Communications

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A reduction in training time would reduce the number of instructors needed at ☐ and provide for a greater throughput of students. This would save approximately \$80K a year but would drastically lower the caliber of our skills-oriented personnel.

We can reduce all non-communications training at a savings of approximately \$100K a year. This would be deleterious to morale and slow the development of a management cadre.

Limit movement of secure and black telephones when offices or personnel transfer. This would involve a savings of approximately \$15K per year. It would cause a lot of moaning, groaning, and anguish.

Reduce the cable dissemination file from a two-year file to a 60-day file. This would save approximately \$30K a year. Customers would be required to wait a minimum of 24 hours for service.

Eliminate all handwriting on cables and telepouches. This will save two positions at an equivalent of \$30K per year.

Data Processing

Merger of the computer operations of the Ruffing and Special (DDO) Centers. This proposal will require detailed and coordinated feasibility and planning efforts. Savings of better than \$9 million and 15 positions are possible.

Colocation of the proposed 4-C computer center with either the Ruffing or Special Center. A savings of four positions are possible.

Reduce the volume of paper reports produced by ODP. The potential savings have not yet been quantified but will be on the order of \$10,000 to \$15,000.

Logistics

Consolidation of existing Agency micrographics facilities would yield significant space, equipment and position savings. There are today seven independent micrographics groups in the CIA. A 1977 study to consolidate these groups was rejected.

☐ Decision

STAT

Do not implement

Do not implement

Based upon severity of limitations imposed, annual savings from \$15,000 to \$200,000 can be achieved.

Implement immediately

Implement immediately

STAT

Provide information for McMahon discussion (see ☐)

1,500 square feet not available. No action

Incorporate this into standard operating procedure

Update 1977 study

Consolidation of copies management activities in the Agency would yield savings not yet quantified. [] in process

Consolidation of multiple office equipment requirements through equipment standardization would result in savings of 10 to 25 percent of what is being spent today (not specified).

In addition, Jim McDonald has initiated two further studies, one aimed at consolidating all Agency graphics design activities and another aimed at establishing a publications review committee to ensure that effective methods and economies are used in the printing of Agency publications. You will be advised of the results of these studies when they are available.

Security

OS presently staffs two guard posts at a cost of some \$110,000 annually, more for convenience than for absolute need. If the Agency is genuinely serious about austerity, coverage of these two posts, at the DCI garage and at the tunnel entrance, could be eliminated.

Training

OTE has started the initial coordination of a plan to substitute civilian guards for the Military Police Detachment at the [] [] It would eliminate the military position of " [] at the installation. The cash savings of this action would exceed \$80K per year. Even more important, it would free up six base houses occupied by married military personnel and quarters permanently occupied by four single enlisted personnel. Additionally, two dedicated motor vehicles could be returned for Motor Pool use.

OTE proposes taking up with the other directorates the closing of the Center for the Study of Intelligence and the transfer of the responsibility for the publication "Studies in Intelligence" to the staff of the Agency Historian. This could result in annual personnel savings of approximately \$185K and seems warranted in light of the limited support being given to the Center and its activities by other Agency components.

OTE believes that substantial savings could be accomplished through a judicious review of external training sponsored by Agency components. The fiscal 1980 costs for such training were in excess of \$1,700,000.

[] decision

STAT

in process

STAT

Prepare recommendations for [] decision.

Continue studies and advise.

Do not implement

Implement

Prepare memo for [] signature

STAT

conduct in-depth study

Collecting Interest on Bank Deposits

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We are looking at the whole range of cash management options including use of interest-bearing accounts, overnight and weekend interest earnings, and zero balance transaction accounts. We need to study the cost-benefit implications of service charges and cover documentation for tax purposes

before we can make some decisions to go with these new techniques.

Reductions in Travel Costs through Discounts

The Travel Policy Committee is reviewing a plan to permit employees under official cover to use Government travel requisitions to purchase airline tickets at discounted rates. Overt personnel currently get limited discounts by using GTRs.

Medical Services

None

Information Services

If the Agency can be relieved of its E.O. 12065 responsibility for the systematic declassification review of Agency records, 23 positions can be saved.

Study and report to STAT

Study and report to STAT

N/A

N/A

DDA CHECK LIST

b MAY 1981

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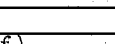
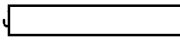
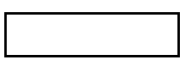
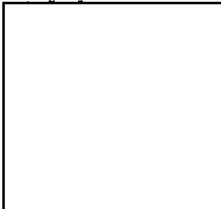
Topic	Responsible Officer	Date Assigned	Completion Date	Comments
Scientific programmers	Bruce Johnson	25 Feb	9 Mar	This memo addressed the shortages of scientific programmers in the Agency
GSA guidelines on word processing equipment	Bruce Johnson	27 Feb	5 Mar	Waiting for confirmation of GSA Administrator
STAT GSA travel restrictions		27 Feb	5 Mar	" " " " "
GSA restrictions	Jim McDonald	27 Feb	5 Mar	" " " " "
Survey of independent contractors and leased hardware	Jim McDonald	27 Feb	27 Feb	" " " " "
Plans for new building	Jim McDonald	27 Feb	27 Mar	Planning Committee membership being set up
STAT Personnel recruitment process		27 Feb	25 Mar	On EXCOM Agenda; 29 April
Testing	Bob Ingram	5 Mar	13 Mar	Oral briefing by. STAT
Word processing inventory	Bruce Johnson	5 Mar	13 Mar	Holding for GSA confirmation
STAT systems		5 Mar	9 Mar/3 Apr	Hugel memo to Office Directors containing revisions of systems
Interest on bank deposits	Ed Sherman	12 Mar	3 Apr	Negotiations under way
STAT Reductions in travel costs - GTR's		12 Mar	20 Mar	Pursuing w/ticketron Central Travel
Extension of overseas tours to 3 yrs		12 Mar	20 Mar	Paper to OPPPM
Classroom facilities in C of C	Bill Hart (Space Committee)	12 Mar	25 Mar	Part of overall space plan
New automated payroll and management information system	Ed Sherman Bruce Johnson	12 Mar	2 Apr	ODP & OF task force set up

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STAT Price conferences	<input type="text"/>	12 Mar	7 Apr	Data to all directorates via Exec Off. route; <input type="text"/> to include w/external trans report. STAT
Study of all efforts of Psychological Services Staff	Bob Ingram	12 Mar	10 Apr	Final copy being staffed for Hugel
STAT in proprietary study replacement <input type="text"/> 1984	Hal Bean	12 Mar		To be programmed for 1983
PARS 8 lines per inch	Gail Donnalley	12 Mar	27 Mar	Revised memo to DD's in cooperation with <input type="text"/> STAT
Merger of Ruffing & Special (DDO) enters	Bruce Johnson	12 Mar	19 Mar	Not practical
Accounting for travel advances	Ed Sherman	12 Mar		
STAT Centralizing software applications development	<input type="text"/> Bruce Johnson	12 Mar		In process; delayed by slow response in S&T
Study on existing Agency micrographics	Jim McDonald	12 Mar		Task force set up; membership due by end of month
STAT Consolidation of copier management activities	<input type="text"/> Jim McDonald	12 Mar	9 Apr	Memo to DD's; replies coming in
Equipment standardization	Jim McDonald	12 Mar	28 Apr	
Consolidate graphics design activities; establish publications review committee	Jim McDonald	12 Mar	3 Apr	Review consolidation of first; no need for committee
STAT Substitute civilian guards at <input type="text"/>	<input type="text"/>	12 Mar		Checked out locally; paper en route to CCS & OS

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Disband CSI STAT Briefing paper due for EXCOM ✓		12 Mar	22 Apr	Checking with DD's; OPA; CSI Board interested; to EXCOM
Review all external training and conferencing ✓		12 Mar		
Review of all OTE courses in light of skills needed in the 1980's ✓		13 Mar	10 Apr	Place on EXCOM Agenda
Review of language program ✓		13 Mar	28 Apr	EXCOM - 6 May
STAT for reduction of records at  ✓	Tom White	17 Mar	6 Apr	Plan submitted in memo
STAT Study of  (or briefing memo in lieu of) ✓		19 Mar		Second draft ready in OL
Agency-wide training for Information Handling Systems for professionals ✓		19 Mar	9 Apr	Memo to DTE
Study activities of psychologists throughout the Agency ✓	Bob Ingram	19 Mar	6 Apr	Ingram to ensure no waste or duplication
Modification of E.O. 12065 ✓	Tom White	19 Mar		Paper to ISOO 23 Mar
STAT Inter Fellows Program ✓		20 Mar		
Modification of E.O. 12036 ✓		20 Mar	30 Mar	To OGC for coordination
Security Study ✓		7 Apr	22 Apr	
Communicators--Morale/Security ✓		16 Apr		

DDA CHECK LIST

Topic	Responsible Officer	Date Assigned	Completion Date	Comments
Alternatives to Merit Pay - Reevaluating performances ✓		16 Apr		
Outstanding requirements ✓ with OGC		23 Apr	27 Apr	To OGC